

Crowngap Construction Limited

Directors' report and
financial statements

Registered number 568580

30 June 2002



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2002.

Principal activities

The company did not trade during the year, however it did receive bank interest income.

Business review

The results for the year are set out in the attached profit and loss account.

Proposed dividend

The directors do not recommend the payment of a dividend for the year (2001:£nil).

Directors and directors' interests

Set out below are the directors who served during the year:

L Chatfield
A Ring

None of the directors who held office at the end of the financial year held any disclosable interest in group undertakings as recorded in the register of directors' interests.

No other directors served during the year.

Auditors

Our auditors KPMG have indicated to the directors that their business has transferred to a limited liability partnership, KPMG LLP. Accordingly, they resigned as auditors of the company on 10 June 2002 and the directors appointed KPMG LLP to fill the casual vacancy arising. A resolution for the appointment of KPMG LLP as auditors of the company is to be proposed at a forthcoming General Meeting.

By order of the board



PR Chadwick
Company Secretary

142 Northolt Road
Harrow
Middlesex
HA2 0EE

10 March 2003

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

kpmg

KPMG LLP

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditors report to the members of Crowngap Construction Limited

We have audited the financial statements on pages 4 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

13 March

2003

Profit and loss account
for the year ended 30 June 2002

	<i>Note</i>	Year ended 30 June 2002 £000	Year ended 30 June 2001 £000
Turnover		-	-
Administrative expenses		-	48
		<hr/>	<hr/>
Operating profit		-	48
Other interest receivable and similar income	4	128	273
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	128	321
Tax on profit on ordinary activities	5	(38)	(96)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		90	225
Retained profit brought forward		1,137	912
		<hr/>	<hr/>
Retained profit carried forward		1,227	1,137
		<hr/> <hr/>	<hr/> <hr/>

No operations were acquired during the year (2001: none). The company did not trade during the year, however it did receive bank interest income.

There is no material difference between the results disclosed in the profit and loss account and the result given on an unmodified historical cost basis.

There were no recognised gains or losses in the year (2001: £nil) other than those shown above.

Balance sheet
as at 30 June 2002

	<i>Note</i>	30 June 2002 £000	30 June 2001 £000
Current assets			
Debtors	6	4,939	232
Cash at bank and in hand		28	4,937
		<hr/>	<hr/>
		4,967	5,169
Creditors: amounts falling due within one year	7	(223)	(515)
		<hr/>	<hr/>
Net current assets		4,744	4,654
		<hr/>	<hr/>
Net assets			
Capital and reserves			
Called up share capital	8	3,510	3,510
Share premium account		7	7
Profit and loss account		1,227	1,137
		<hr/>	<hr/>
Equity shareholders' funds	9	4,744	4,654
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 10 March 2003 and were signed on its behalf by:

Leslie Chatfield

L Chatfield
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except in relation to the changes in accounting policy described below.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules and in accordance with the applicable Accounting Standards.

As the directors do not intend to acquire a replacement trade, the financial statements have not been prepared on a going concern basis. No adjustments were necessary to the amounts at which remaining net assets are included in the financial statements.

Under Financial Reporting Standard No.1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

The related party transactions note included in the consolidated financial statements of the intermediary parent undertaking complies with the conditions of Financial Reporting Standard No.8 'Related Party Transaction'. The company is therefore exempt from the requirement to prepare a separate note.

The company has applied the provisions of FRS 19 'Deferred Tax' for the first time in the year. This has not resulted in a restatement of prior year figures.

Turnover

Turnover is the total of sales and services (excluding value added tax) and the certified value of work done on contracts in progress at the period end less amounts recognised in previous years.

Stocks and long term contracts

These comprise work in progress which is calculated at cost, plus attributable profit to the extent that this is reasonably certain after making provisions for contingencies, less any losses incurred or foreseen in bringing contracts to completion and less amounts received or receivable on progress payments.

Taxation

The charge for taxation is based on the result for the year and takes into account deferred taxation. In accordance with FRS 19 'Deferred Tax', deferred taxation is provided fully and on a non discounted basis at future corporation tax rates in respect of timing differences between profits computed for taxation and accounts purposes.

2 Profit on ordinary activities before taxation

The remuneration of the auditors for the current and prior accounting years has been borne by a fellow group undertaking.

Notes (continued)

3 Remuneration of directors

The directors did not receive any remuneration from the company for their services during the year (2001: £nil).

4 Other interest receivable and similar income

	Year ended 30 June 2002 £000	Year ended 30 June 2001 £000
Other interest	128	273

5 Taxation

(a) Analysis of charge in year

	Year ended 30 June 2002 £000	Year ended 30 June 2001 £000
Current tax		
UK corporation tax on profits for the year at 30% (note 5(b))	38	89
Deferred tax:		
Origination and reversal of timing differences (note 5 (d))	-	7
Tax on profit on ordinary activities	38	96

(b) Factors affecting tax charge for year

The tax assessed for the year is the same as the standard rate of corporation tax (30%):

	Year ended 30 June 2002 £000	Year ended 30 June 2001 £000
Profit on ordinary activities before tax	128	321
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	38	96
Effects of:		
Origination and reversal of timing differences	-	(7)
Current tax charge for year (note 5 (a))	38	89

(c) Factors that may affect future tax charges

Future effective tax rates may vary due to adjustments for previous years.

Notes (continued)

(d) Deferred taxation

	Year ended 30 June 2002 £000	Year ended 30 June 2001 £000
Deferred tax asset at start of year	44	51
Credit for year in the profit and loss accounts (note 5 (a))	-	(7)
Deferred tax asset for end of year	44	44

There is no unprovided deferred taxation (2001: £nil).

6 Debtors: amounts due within one year

	30 June 2002 £000	30 June 2001 £000
Trade debtors	34	123
Amounts owed by fellow subsidiary undertaking	4,861	-
Prepayments and accrued income	-	65
Deferred taxation asset	44	44
	4,939	232

The amounts provided for deferred taxation are set out in note 5.

7 Creditors: amounts falling due within one year

	30 June 2002 £000	30 June 2001 £000
Trade creditors	185	204
Amounts owed to group undertakings	-	171
Corporation tax	38	140
	223	515

Notes (continued)

8 Called up share capital

	30 June 2002 £000	30 June 2001 £000
<i>Authorised</i>		
Ordinary shares of £1 each	5,000	5,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	3,510	3,510
	<hr/>	<hr/>

9 Reconciliation on movement in equity shareholders' funds

	Year ended 30 June 2002 £000	Year ended 30 June 2001 £000
Opening equity shareholders' funds	4,654	4,429
Profit for the financial period	90	225
	<hr/>	<hr/>
Closing equity shareholders' funds	4,744	4,654
	<hr/>	<hr/>

10 Contingent liabilities

There are claims outstanding which arise under contracts carried out by the company in the ordinary course of business. It is not possible to predict with any certainty the results of these claims but the directors believe, taking into account counter-claims, claims against third parties and provisions in the accounts, that the outcome will not have a material effect on the company's financial position.

11 Ultimate holding company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Bovis Lend Lease Holdings Limited, which is registered in England and Wales. Its ultimate parent undertaking is Lend Lease Corporation Limited, which is incorporated in Australia.

The largest group in which the results of the company are consolidated is that headed by Lend Lease Corporation Limited. The consolidated financial statements of this group may be obtained from Level 46, Australia Square, George Street, Sydney, Australia.

The smallest group in which the financial statements of the company are consolidated is that headed by Lend Lease Europe Holdings Limited. The consolidated financial statements of this group may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.